may, in fact, have been actually decreased. The inevitable result has been a great flood of new money with a greatly depreciated value. Index numbers show a rise of over 100 per cent. in the average prices of commodities during the war. It is, however, perhaps unfair to assume that the buying power of the pound has actually been reduced by a half, but it is certainly safe to say that it has been reduced by a third. Therefore, the revenue raised by the Government during the past year has to be reduced by at least a third before we are justified in comparing our war achievements with the Government's pre-war revenue, If we take one-third off £707 millions it reduces the total raised during the past year by revenue to about £470 millions, less than two and a half times the pre-war revenue.

From another point of view our satisfaction with the tremendous figures of the past year's revenue has to be to some extent qualified. The great elasticity shown by the big increase of actual achievement over the Budget estimate has been almost entirely in revenue items which cannot be expected to continue to serve us when the war is over. The total increase in the receipts over estimate amounts to £69 millions, and of this £20 millions was provided by the Excess Profits Duty, a fiscal weapon which was invented during the war, and for the purpose

of the war. It has always been assumed that it would be discontinued as soon as the war was over, and if it should not be discontinued its after-war effect is likely to be very unfortunate at a time when our industrial effort requires all the encouragement